

## [LV] Launching Digital Terrestrial Television

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The launch of digital terrestrial television shall be implemented finally during the year 2010, but not all issues of the implementation are clear yet.

At the end of 2008 the Ministry of Transport organised a tender during which it had to select a provider of digital broadcasting in accordance with the Regulations of the Cabinet of Ministers (see IRIS 2008-10: 15). The rules of the tender provided that the winner will have to carry out a complete transfer to digital terrestrial broadcasting by 1 December 2011. The provider has to ensure that public and commercial broadcasters have the opportunity to broadcast their programmes, as well as to make sure that certain channels nominated by the National Broadcasting Council (NBC) are available to viewers on free-TV.

As a result of this tender the Ministry of Transport selected SIA Lattelecom, the incumbent fixed telephony operator of Latvia, to carry out the transfer to digital broadcasting. The Cabinet of Ministers approved Lattelecom's role in the introduction of digital terrestrial television on 27 January 2009. Lattelecom now has technically enabled the transfer and is negotiating with the broadcasters on the inclusion of channels in the digital packages on offer.

Regarding the inclusion of channels, the NBC decided according to the Regulations of the Cabinet of Ministers that the channels broadcast by public broadcasters (LTV1, LTV2) have to be included in the free-to-air package. Also, the commercial broadcaster LNT has agreed with Lattelecom that its channel will be included in the free-to-air package. These programmes should be available only in digital mode as of 1 April 2010 in the surroundings of Riga and as of 1 June 2010 in other parts of Latvia. The analogue broadcasting of these channels will then be switched off.

The other major commercial broadcaster TV3 (MTG Group) has failed to agree with Lattelecom on the inclusion of its channel in the free-to-air package for want of consent on the price for the inclusion. Therefore, TV3 announced that at least in 2010 it will continue to broadcast analogue, using the services of the State-owned Latvian Radio and Television Centre. The latter, however, indicated that it would be unprofitable to broadcast only one channel in the analogue mode. Therefore, the companies may still reach a deal, particularly as TV3 and Lattelecom in the beginning of January 2010 have agreed on the retransmission of

TV3 channel within Lattelecom's IPTV offer.

Another problematic issue is that the Regulations of the Cabinet of Ministers do not provide any compensation to households who have to purchase new technical equipment due to the switch-off of analogue retransmission. Taking into account the difficult economic situation of Latvia, the costs for the equipment may be significant for many households. Moreover, according to recent research, terrestrial television is used as the single mode of transmission only by 27% of households, the majority of which constitutes elderly, rural people and people with low incomes. Economically more powerful households have already switched to other reception modes such as cable, satellite and IPTV. For these, the transfer to digital terrestrial TV is relatively insignificant.

